

Before the Federal Communications Commission

Washington, D.C. 20554

In the Matter of

Appropriate Framework for Broadband Access)	CC Docket No 02-33
To the Internet over Wireline Facilities)	
)	
Universal Service Obligations)	
Of Broadband Providers)	

Comments

Chase 3000, Inc. provides fixed wireless broadband internet service to rural Nebraska and Colorado. We provide a service no other technology can provide. Cable modems do not reach 10 miles out of town. DSL service is not available to the farm. Satellite service is beyond the reach of most people. Chase 3000 provides the average home 600kbs burstable up to 1300kbs service for \$25 a month.

Since we built this network two years ago, the cost of equipment has dropped by half. It is now possible to build a broadband network using fixed wireless technology that will reach remote locations without subsidy. The shortage is not money but rather people with know how.

Chase 3000 provides broadband service to about 450 homes. Lets say that it is decided to collect a \$5 USF fee for each customer each month. This would collect about \$22,000 a year. It would cost us around \$10,000 a year to hire someone to do the part time paperwork necessary to complete the forms.

This money would be collected for the purpose of helping phone companies provide service in competition with us. Today, only phone companies are eligible to receive USF money. Yet they still cannot provide broadband service to many of the areas that we can.

Before Chase 3000 started providing internet service we approached the phone company and asked them to provide access. They declined, stating that it didn't make any economic sense in a small community of 2000 people. So Chase 3000 came into existence. We provided a service that no one else did or would. Today the phone company has changed its mind and is a competitor. In the communities where we are, their price for service matches ours. Where we are not, the price is higher.

The idea of collecting a fee from Chase 3000, with gross revenues under a quarter million, to subsidize the phone company with revenues of many millions doesn't seem fair.

It is our belief that the best option is to eliminate the USF completely. It is no longer needed. We have the knowledge necessary to provide basic phone service to rural homes without subsidy but cannot compete with subsidized monopolies. In other words, the USF fund along with rules providing barriers to entry have stifled the competition that would drive down the costs and eliminate the need for the subsidy.

Should the elimination of the USF be rejected then the fund should be opened to anyone providing universal service for basic communications and/or broadband service. Provisions should also be made for exempting very small businesses from the paperwork and collection costs. The paperwork costs for small operations are much greater as a percentage of total operational costs.

It is the small operations that develop the technology, take the risks associated with testing and deploying, and that find a way to provide services that monopolies choose to ignore until they become successful and threatening.

We encourage you to provide a fair environment for a competitive market. The best way to do this is eliminate the USF or short of that broaden it to help all providers and not just those that are trying to protect themselves.

Regulations that stifle improvements raise the cost of service.

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